
IN THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT.

CASE No. 14626.

JESSE E. HALL *et al.*, Plaintiff and Plaintiff-
Intervenors-Appellants,

VS.

KENNETH A. WRIGHT *et al.*,
Defendants-Appellees.

REPLY BRIEF FOR APPELLANTS.

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ABBREVIATIONS.

Following the practice adopted in Appellants' main brief, Plaintiff and Plaintiff-Interveners below will be designated as "plaintiffs", Jesse E. Hall, as Hall, Defendants and counterclaimants below as "Defendants", defendant Kenneth A. Wright as "Wright", and defendant corporation B & W, Inc., as "B & W".

The patents of the parties Wright and Hall will be referred to by their last three digits in the following manner:

Wright Process Patent No. 2,338,372 as Wright Pat.
372;

Wright Scratcher Patent No. 2,374,317 as Wright
Pat. 317;

Wright Plug Back Patent No. 2,392,352 as Wright Pat. 352;

Hall Spiral Centralizer Patent No. 2,220,237 as Hall Pat. 237;

Hall Scratcher Patent No. 2,671,515 as Hall Pat. 515.

Appellants' Brief will be called "Pfs. Brief" and Appellees' Brief "Dfs. Brief". Reference to pages of the record will be prefixed by the letter "R".

THE NATURE OF THE INVENTIONS OF THE WRIGHT PROCESS AND APPARATUS PATENTS ARE MISREPRESENTED BY DEFENDANTS.

Since Defendants' brief, insofar as it pertains to the inventions of the Wright process and scratcher patents 372 and 317, is predicated upon misrepresentations as to their subject matter and coverage, these false premises should be exposed and clarified at the outset to avoid possible misinterpretation, and therefore, misjudgment as to their validity and what would be an infringement thereof.

THE WRIGHT PROCESS PATENT 372.

Defendants unequivocally state in their brief that the method of this patent relates to and covers the cleaning of mud from a well bore preliminary to the cementing thereof to effect a better bond between the cement column and earth formations. Instances where such statements occur in their brief, are to be found on page 12, last two paragraphs, page 13, first two paragraphs, page 15, next to last paragraph, page 23, second paragraph and quotation from Davis' testimony page 25, first paragraph and last two paragraphs, page 26, ending near bottom of page, page 28, entire page.

The trial court was not misled as to the true nature of the invention of the 372 patent as shown by its holding, Vol. 1, page 366.

“Moreover the notices were not given in good faith since Patent 2,338,372 does not teach or claim or even mention a method of carrying out the cementing operation incident to the completion of an oil well.”

The fact is that the Wright Process 372 patent has to do solely with the process of increasing the flow of a well by abrasion of the productive strata or oil sand to increase fluid production from the face of the abraded strata. Nowhere in the patent is there mention of cleaning the well bore preparatory to cementing, nor is the cementing of the well suggested in connection with the method.

As filed, the method was described as one for “preparing and maintaining oil wells in an efficient producing condition”. In order to accomplish this result, the inventor recommended that it was “desirable that the walls of the well bore in the producing area shall be placed in condition to insure the greatest amount of fluid yield from the formation” (Pat. Spec. Exh. 37, p. 1, Col. 1, lines 4-8).

In enumerating the objects of the inventor, it is stated that the method contemplates that “the wall of the producing area or areas of the well is thoroughly cleaned or cleared of mud and other materials that may have accumulated during the drilling operation”, and that “the wall of the well in the production area or areas is abraded and cleaned with fluid to expose the virgin earth formation immediately prior to the well going into production” (Pat. Spec. Exh. 37, p. 1, Col. 1, lines 50-53, Col. 2, lines 1-4).

Evidently to satisfy the statute that a clear and concise description of the invention be made there appears the following:

“The method of the present invention may be said to comprise, generally, the following steps or operations, the drilling of a well; providing abrading means on a production string or casing; lowering the casing into the well; manipulating the casing so that the abrading means abrades the wall of the well in and adjacent productive area or areas of the well bore, circulating fluid through the same casing and the well

during the abrading operation to flush out the material abraded from the well wall and to prevent the reformation of a mud cake on the well wall, and then causing or allowing the well fluid from the earth formation to produce or flow out of the well through the self same string or casing" (Exh. 37, p. 1, col. 2, ll. 33-47).

The eight claims of the patent are all drawn to the method of providing a production string with external abrading means positioned on the string so they will be located *in the producing formation* when the string is run into the well and manipulated to clean the well bore. The purpose is stated to be that the virgin earth formation is exposed, facilitating fluid production so that the string is thereafter utilized to carry away the fluid yield.

To determine accurately what method Wright intended to cover by his patent, the most reliable source is the application itself and the contents of the file wrapper, which reveals the prosecution while the case was pending in the Patent Office. This document is in evidence as Exhibit 9. Definitely establishing the purpose for which the method was intended is the paragraph on page 4 of the specification, ll. 20-25 of Exhibit 9, which reads:

"It will thus be seen by this method of conditioning a well a final step in treating the wall of the well is carried on after the casing has been placed within the well, thus assuring that the producing area of the well will be placed in the best possible condition for efficient flow of fluid from the formation."

The claims were rejected on patented art in the first Patent Office action dated November 14, 1939, and in reply by an amendment dated May 8, 1940, Wright attempted to supplement the disclosure by bringing in the concept of cleaning the well bore for cementing. In the same amendment 12 claims were added which included the cementing concept (Exh. 9, paper 14, page 4).

The Jones and Berdine Report (Exh. X) was furnished the Patent Office with this amendment, and it is likely that the knowledge Wright acquired during the Jones and

Berdine tests was the source of this material which Wright sought to add to his application. The dates of these happenings are noteworthy. Wright's method patent 372 (Exh. 37) was filed August 19, 1939, the Jones and Berdine tests were completed in November, 1939, and Wright's attempt to add this cementing disclosure to his application was on May 8, 1940.

It was evidently at the time of filing this amendment that Wright devised the scheme of warping the disclosure of his method to include well completions for cementing.

The method of removing mud cake to obtain a better bond between the cement and earth formation simulated during the Jones and Berdine tests originated with Hall and was first disclosed in his application, Serial 38,891 (Exh. 150) filed in 1935, 4 years prior to the tests, and was also disclosed in the Hall patent 237 (Exh. 151) filed in 1937 as an improvement of the 1935 application as will be more fully discussed *infra*.

In an action dated August 9, 1941, the Patent Office made the following rejection to the Wright application:

"On reconsideration claim 12 formerly deemed allowable is found to contain new matter constituting a departure from the original disclosure. The original specification does not mention the step of cementing. Cementing the casing in position in the well bore is first mentioned in the amendment filed May 11, 1940, when insertions were made * * *. It is required that the insertion on pages 1, 2 and 3 describing the step of cementing made in the amendment filed May 11, 1940, be cancelled as drawn to new matter not originally disclosed" (Exh. 9, p. 26).

The objectionable material sought to be added was cancelled out but still the Patent Office refused to find patentable subject matter so rejected the case finally. Appeal was taken to the Board of Appeals, and at this time the Hall patent 237 was added as a reference.

None of the claims on appeal contained mention of cementing or preparing the well bore for cementing, the

disclosure of these features having been deleted from the specification. In his brief before the Board of Appeals Wright gives the gist of his invention:

“Summarizing the key idea behind applicant’s invention is the placing in a well of a combination of elements, namely, a mechanical cleaner and a production liner which elements function to clean the mud cake from the producing strata and stay in the well to handle the fluid from the formation” (Exh. 9, p. 122).

Obviously, this is a clear case of file wrapper estoppel.

Schriber Schrotte Co. v. Cleveland Trust Co., 311 U. S. 211.

The Trial Court’s understanding of the process of the 372 patent is corroborated and confirmed by Defendants’ belated desire to protect the method in Canada in October, 1947. In the Canadian application the method was that described in the U. S. patent 372, Exh. 37, but not the method Defendants represented to the trade that the patent covered, namely, not cleaning the well bore preliminary to cementing.

The Court was amply justified in finding that the Wright patent “2,338,372 does not teach, claim or even mention a method of carrying out the cementing operations incident to the completion of an oil well” (Finding XV, R. 375-376).

PLAINTIFFS DO NOT INFRINGE THE WRIGHT 372 PATENT.

(a) The Assertion by Defendants That the 372 Patent Covers a Cementing Operation Is Not Made in Good Faith.

The Defendants have known at least since September, 1941, that Wright was not the inventor of a process of cementing including the step of abrading the wall of the well and that the process was disclosed in the Hall 237 patent filed more than two years prior to the filing of the 372 patent.

As stated previously, the Patent Office on August 9, 1941, ruled (see Exh. 9, p. 26) that the application for the 372 patent was not related to any cementing process and ruled that all matter and claims added by amendments dated May 8, 1940 (Exh. 9, p. 11), and March 10, 1941 (Exh. 9, p. 23), be cancelled as new matter.

The Board of Appeals (See Decision dated June 29, 1943) held that the process sought to be patented did not involve invention over Hall and concluded:

“Both Hall and applicant operate by generally the same method, the difference being in apparatus.”

On September 8, 1943, Wright cancelled the method claims.

Four years later the fact that the Hall patent disclosed the process now claimed to be covered by the Wright 372 patent was forcefully presented to Defendants' attention by the following litigation, to which both Plaintiff Hall and Defendants were parties. See *Hall v. Keller and B & W*, filed December 23, 1947, and decided on November 5, 1948 (80 F. Supp. 763, and Decision of 5th C. C. A., 180 F. 2d 753). The method of the Hall 237 patent (Exh. 151) was defined by the District Court at 80 F. Supp. 766, as follows:

“To abrade the walls of the well by removing mud cake thereby permitting the cement to bond more readily to the well wall.”

It will be recalled that the application for the Hall patent was filed on January 6, 1937, based upon an earlier application, Serial No. 38,891, Exh. 150, in this action, and referred to in *Hall v. Keller*, 80 F. Supp., at 770, and 180 F. 2d 753, at pages 754 and 755.

Obviously the Wright 372 patent cannot cover a process disclosed in the Hall patent and be a valid patent. That which would infringe if later anticipates if earlier. *Miller v. Eagle*, 151 U. S. 186, 14 S. Ct. 310, 316, 38 L. Ed. 121; *Perfect Circle Co. v. Hastings Mfg. Co.*, (6 Cir.) 88 F. 2d 813, 816; *Ballard & Ballard Co. v. Borden Co.*, 107 F. Supp. 41, at 49.

The Trial Court finding that the assertion by the Defendants that the Wright 372 patent covered a process of cementing was without probable cause, unfair competition, and an attempt to assert an illegal monopoly, was thus well founded in the evidence.

(b) The Hall Scratcher and Its Use by Customers of Plaintiffs Do Not Constitute an Infringement of the Wright 372 Process Patent.

The evidence shows that:

- (a) The Plaintiff did not carry out the accused method.
- (b) That they were selling a staple commodity suitable for many non-infringing uses.
- (c) That the process carried out by their customers is not the process of the 372 process patent.

Contrary to the assertion of Defendants (Dfs. Brief, p. 39) that the Court has not made any findings on the question of infringement of the Wright 372 patent, the Court has found that notices on the 372 patent were given by the Defendants "in order to establish a limited monopoly in the manufacture and sale of scratchers not covered by said Letters Patent 2,338,372" and were given "unfairly and without cause" (Findings XV and XVa, R. pp. 375-376).

It is elementary that the burden of establishing infringement by competent evidence is on the Defendant here who is asserting the patent against Plaintiff.

There is no obligation, as asserted by Defendant, on an accused infringer to differentiate his process from that of the patent alleged to be infringed (Dfs. Brief, p. 40).

The Defendant in support of his burden has stated the following to have been established without documentation to the Record (See Dfs. Brief, pp. 39-41).

"That Defendants (*sic*) have used a process referred in publication of defendants (*sic*) as Weatherford Formula."

No documentation to the record is provided to establish what this formula is or its use by Plaintiff.

The fact is that Plaintiff does not employ any method of well completion whether it be the method claimed by the 372 process patent or process of cementing not covered by this patent, but is merely the manufacturer and vendor of tools employed in such cementing operations. Such tools are the scratchers here involved. The scratcher is a staple article of commerce suitable for substantial non-infringing use.

Reference to Exhibit 4, page 7, will show that these scratchers have many uses, which are entirely different from the use of the scratcher included in the 372 patent and other than for cementing (see list of scratcher uses, R. p. 3467). These are "substantial non-infringing uses", and thus the manufacture and sale of such scratchers cannot be contributory infringement (See *U. S. Code, Title 35, Sec. 271c*).

The contention that copying claims of the 372 patent by Hall is an admission of infringement is not meritorious.

The reference made by Defendants, page 39 of their brief, to the above circumstances is undocumented and unsupported by any citation of law. It refers no doubt to the facts recited in our opening brief (see page 64).

It is well settled that no admission of infringement or estoppel to deny infringement arises from copying of claims for purposes of interference in the U. S. Patent Office. No estoppel to contest infringement or validity can result from any such circumstance.

Veaux v. Southern Oregon Sales, (9 C. C. A.) 123 F. 2d 455, 457.

The evidence already discussed in our main brief, page 69, and *supra*, shows that the process employed by Plaintiffs' customers and which Plaintiffs are also charged to have participated in (Dfs. Brief, pp. 40 and 41), consisted of mounting scratchers on a casing so that they are freely rotatable and have limited longitudinal movement. The casing is reciprocated so that the scratchers are caused to rotate and reciprocate on the casing and scratch the entire surface of the bore of the well where the cement is to be

placed. The cement is introduced into the bore hole with the scratchers in position and a cement bond is made, sealing off the formation at the face of the well bore and bonding the casing to the well bore. The cemented face of the well formation is thus not the source of the fluid produced by the well. The fluid is therefore not produced from the face of the formation. This is not disputed by the parties (See reference to Weatherford Formula, Dfs. Brief, pp. 39 and 40).

The Court found that the Wright 372 patent does not teach claim or even mention a method of carrying out the cementing operation incident to the completion of an oil well (Finding XV, R. p. 376), and thus the patent does not cover the above operations.

The evidence discussed above and these findings conclusively establish the lack of merit of Defendants' appeal from the Court's judgment, dismissing their counterclaims irrespective of the Court's finding of lack of invention.

THE WRIGHT 317 APPARATUS PATENT AND WRIGHT WALL CLEANING GUIDE DO NOT ANTICIPATE THE HALL 515 PATENT.

Again the trial court was not misled as to the true nature of the invention and scratcher structure Wright intended to cover in his apparatus patent 317 and found accordingly the patent to be invalid (R. pp. 343-344).

The invention is clearly revealed by an examination of the file wrapper Exhibit 8. This apparatus application was filed December 10, 1940, about a year and four months after the filing of the method 372 patent. Wright had been unable to convince the Patent Office that he contemplated well bore conditioning prior to cementing in his method application, so incorporated the disclosure necessary and submitted claims to that method in the apparatus case.

In the first Patent Office action filed during the prosecution of this second application method claims Nos. 1 and 2 were refused as unpatentable because of apparatus limitations. By amendment dated September 11, 1941, three additional method claims were added, all including well conditioning for cementing and in one the actual cement-

ing operation. In the argument accompanying this paper, there is a significant statement in view of the evidence in this case concerning the identity of operation of the Hall type scratchers and the Wright wall cleaning guides. In attempting to differentiate the operation of the wire bristles of the Wright guides with the coil spring mounted bristles of the Black patent (Exh. 172). Wright's attorney had this to say:

"The action is different from that obtained by use of coil springs in the complicated mounting accessory in the Black structure."

The coil spring mounting of Black is similar to that of Hall and was later adopted by Wright and B & W in the Nu-Coil scratcher.

The next Patent Office action dated December 19, 1941, rejected all the method claims on the Hall and Steps *et al.*, patents, the former being Hall 2,220,237 (Exh. 151). At this time there were five method claims in the application, numbered 1, 2, 12, 13 and 14. In response to the Examiner's rejection, he cancelled 1, 2, 12 and 14 and amended method claim 13 besides adding claims 15-27, all of which were apparatus claims except 26 and 27. At this stage of the prosecution method claims 13, 26 and 27 were in the case and claim 26 covered the use of abrading means on a perforated liner and the use of a wash pipe for preparing a well for production which was the method covered by the first application (Exh. 9) still pending before the Patent Office. In the argument submitted with this amendment Wright attempted to differentiate the invention from the Hall and Steps *et al.*

On March 27, 1942, in reply to the amendment, the Patent Office, after having allowed apparatus claims in the case, finally rejected the application insisting upon the unpatentability of the three method claims 13, 26 and 27. On August 18, 1942, claim 26 was transferred to the Wright method case, and an appeal was taken in the apparatus case to the Board of Appeals. Before the Board, the Steps *et al.*, and Hall patents were again cited as references anticipating the method claims. Briefs were filed and the Board of Appeals' decision was rendered on January 28,

1943. In that document is contained definite notice to Wright and B & W the identity of the originator of the method of conditioning a well bore for cementing by manipulating a casing upon which are mounted abrading means, for this was the method covered by the Wright claims on appeal.

This is what the Board of Appeals had to say about inventorship of this method (Exh. 8, Paper No. 21, p. 2):

"As to claims 13 and 27, applicant (Wright) contends that neither Hall nor Steps *et al.* substitutes cement for mud during the act of abrading. Claim 13 is not so worded and only requires that the cement be forced in while the abrading means tend to center the casing. We fail to see where claim 13 defines invention over Hall. See lines 20 to 33, Column 2, and line 70, Column 1, page 3 of Hall.

As to claim 27, we do not consider it inventive to feed the cement in the Hall process during abrading. Both Hall and applicant (Wright) operate by generally the same method, the difference being in the apparatus."

Following the decision, Wright cancelled the two method claims, 13 and 27 from his case, and it was issued with only apparatus claims.

THE WRIGHT 372 AND 317 PATENTS LACK INVENTION OVER THE PRIOR ART.

The Trial Court's finding of lack of invention of the 317 patent is supported by the evidence. The proposition upon which defendants must predicate invention in the 372 and 317 patents is that the use of a wire brush to remove mud from a tubular wall is invention. The prior art taught that wire brushes mounted on pipes could be run into oil wells for cleaning accumulations from tubular walls, see the following:

A scraper for scraping the walls of the bore hole to enlarge it. Muehl 1,402,786 (Exh. 268 G).

Wire fingers working on the principle of a rotary brush mounted on a tubular structure to be run into a well to clean the wall of the bore hole. Rogers 1,423,625, page 3, col. 1, lines 15-30 (Exh. 268 H).

McGregor 1,806,073 (Exh. 268 J) shows brushes mounted in a tube to be lowered into a well to clean a tubular wall. See also Bashara 1,342,618 (Exh. 268 D) and 1,380,517 (Exh. 286 F).

Black *et al.* 2,151,416 (Exh. 268 K) for a tubular element carrying wire bristles to be lowered into a bore hole to clean a tubular wall.

Miller *et al.* 2,157,493 (Exh. 268 L) discloses a bore wall scraper to scrape the wall of a bore hole to "scrape paraffin and similar substances from the walls of a well so that the oil may again flow freely from the well," page 1, col. 1, lines 1-8.

Hall 2,220,237 (Exhs. 151 and 269 I) teaches that mud may be removed from the face of the formation by mounting a scraper on a casing and reciprocating the casing.

It would seem however, that art to establish the point that one way to remove mud from a wall is to scrape it off would not be necessary. That the District Court was amply justified in its finding of no invention in the Wright 372 and 317 patents is conclusively shown by this prior art.

The process covered by the claims of the 372 Patent is based on the following propositions as alleged by the patentee:

(a) That in drilling an oil well the mud circulated during drilling plasters up the walls of the well. The 372 patent, page 1, col. 1, lines 1-22, recites this as the common experience of the art.

(b) That this plastering of the wall retards the flow of fluid from the formation when the well is put on production. The patentee admits that this is obvious: "It will be evidence that the mud deposited on the well wall during drilling operations will tend to retard the flow of fluid from the formation when the well is put on production." Page 1, col. 1, lines 22-25.

(c) That the removal of this mud by scraping it off would benefit the flow is an obvious conclusion from the above and is taught by the following prior art references:

Minnis *et al.* 202,570, Exh. 268-A, page 1, col. 1, 2d and 3d paragraphs, page 2, bottom of col. 1 and top of col. 2.

Rogers, 1,423,625, Exh. 268-H, page 1, col. 1, lines 16-30, and page 2, col. 2, lines 80-85.

Clark, 1,572,769, Exh. 268-I, page 1, col. 2, lines 77-82.

Miller, 2,157,493, Exh. 268-L, page 1, col. 1, lines 1-5.

(d) That a liner, such as a slotted casing, may be used to carry off the formation fluid is admitted to be old and common practice by the patentee in the 372 patent, page 1, col. 1, line 35.

(e) That the mud should be removed before the casing is set into position is common sense and is evident without argument for the patentee admits as much. See 372 patent, page 1, col. 1, lines 26-42. It is shown also by the patents referred to above.

(f) The solution of this problem suggested by the patentee and for which patent was obtained, is that the way to remove mud to facilitate flow of fluid from the formation is to scrape off the mud by means of an abrading device mounted on the casing. That a scraping device mounted on the casing will scrape off the mud is so elementary as to require no argument. If art is needed, Hall 2,220,237 (Exhs. 151 and 269 I), referred to above is sufficient.

(g) There remains the conclusion that having scraped off the mud by the use of a scraper mounted on the casing, the casing may be used as a conduit to carry off the oil which results. The use of such conduits to carry off the oil is admitted to have been old and common practice by the patentee [See (d) *supra*].

No new combination results from the aggregation of old steps each performing their old functions and the aggregation producing no more than the sum of the functions which each of the steps have always performed. No new concept or inventive idea, no new result or function is present in the process described and claimed in 372 patent and not a single novel contribution is made to the art of producing oil.

Kwikset Locks v. Hillgren, (9 C.C.A.) 210 F. 483.

Pointer v. Six Wheel Corp., (9 C.C.A.) 177 F. 2d 153.

THE WRIGHT 317 APPARATUS PATENT IS NOT INFRINGED BY THE HALL SCRATCHER.

The Trial Court found that the notices on the 317 patent were given by Defendants in order to establish a limited monopoly on the manufacture and sale of scratchers not covered by the patent and were given "unfairly and without cause" (Findings XVb and XVc). These findings therefore hold that what Plaintiffs were making and selling and the use thereof by Plaintiffs' customers did not infringe the Wright 317 patent. These findings are amply supported by the evidence.

Defendants' proofs of infringement of the Wright 317 apparatus patent are about as reliable and convincing as those relied upon for infringement of the Wright 372 process patent. The fact that Hall put the patent number under a cut of his scratcher in some of his advertising literature when he considered he had a license under the provisions of the Hall-Wright agreement (Exh. 34) does not satisfy the requirements that the law puts upon such proof. Nor would photographs or cuts taken from advertising literature, unless accompanied by credible testimony constitute adequate proofs of infringement (Dfs. Brief, p. 42).

As to "substantial identity, mode of operation, structure and combination of elements", let us examine the record. The Wright apparatus patent 317 pertains solely to a radial bristle scratcher and defendants have limited their charge of infringement to claims 1, 2, 5, 6, 10 and 15.

The Hall scratcher does not infringe any of these claims because the collar or sleeve of the Hall scratcher is not "secured on" the casing but is rotatably mounted between lugs to give a limited longitudinal movement and free rotative movement. That the Wright claims must be read with this limitation is undeniably established by the showing in the drawings and the disclosure in the specification. Indicating the manner of fastening the Wright guides to the casing, the patent reads:

"To accomplish this it is desirable to *attach* an abrading member *permanently* to the perforated casing" (emphasis ours) (Exh. 38, page 1, column 2, lines 13-18).

Again on page 2, column 2, lines 29-39, it is stated:

"Here it will be seen that each unit comprises an inner sleeve 14 *secured* on the casing 11 and around the circumference of which are mounted ribs 15. The ribs 15 extend longitudinally of the sleeve and are *secured* at their opposite ends to the outer circumferential face of the sleeve. By reference to Fig. 3 it will be seen that the opposite ends of the ribs, as indicated at 16 lie flat against the circumferential face of the sleeve and may be *spot welded* in place" (emphasis ours).

It will be noted that the fastenings of the sleeve to the casing and the ribs to the sleeve are defined and designated identically by the term "*secured*" so there can be no question that the term as used by the inventor meant "fixedly attached."

This is confirmed by another reference to the specification reading:

"In operation of the apparatus here disclosed and a typical method to be practiced the cleaning and centering guide units 12 *are fixed* on the casing in spaced relation to each other along a desired length of the casing. * * * It is desirable to mount the guide units 12 permanently on the casing or well screen as the

case may be" (Exh. 38, specification, page 3, column 1, lines 35-39; page 3, column 1, lines 53-55).

That the inventor never intended that the guides should rotate on the casing is also shown by the design and arrangement of the wires upon the sleeve in a manner to obtain as complete coverage as possible with a permanently fixed sleeve or guide unit.

"* * * since the various fingers 22 of the guide unit are arranged in staggered relation to each other, the wall is simultaneously engaged in different planes so that a thorough abrading action is effected" (page 3, column 1, lines 69-75).

To conclusively show that that was all that was ever intended in this patent by these words "fixed", "secured on", "permanently fixed", attention is called to the "plug back" patent No. 2,392,352 (Exh. 39), and reference is made to the disclosure at the bottom of column 1 on page 2, at line 69:

"Under such circumstances approximately 150 feet of three-inch wash pipe as indicated at 12 is placed on the lower end of a string of drill pipe 11 and *secured* thereto and in communication therewith."

The word "secured" again appears in the above quotation, and attention is directed to the fact that this patent (Exh. 39) is the first patent that ever showed in the drawings the mounting of the Wright scratcher between lugs, and when he refers to the mounting of the scratcher in this particular patent Wright does not specify that it is "secured," as he did in the 317 patent.

Refer now to the bottom of page 2, column 1, the last line reads:

"Before placing the wash pipe in the wall the abrasive units"—

that is, the scratchers 14—

"are mounted upon the wash pipe at intervals of 10 feet and arranged uniformly over the lower 1,000 feet of wash pipe."

Here it will be noted the inventor is describing the two types of the mountings of his scratchers—one permanently fixed mounting, as is shown in his 317 apparatus patent, Exhibit 38; the other the rotatably mounted scratcher shown in the 352 patent, Exhibit 39.

The Hall scratcher does not infringe the claims for the second reason that into the claims relied upon must be read the limitation that the fingers or wires extend or project from the sleeve or support *radially*. Hall's wires project non-radially, that is at an angle to the radial or what is termed "side-wise inclination."

That Wright contemplated only radial fingers is shown by the drawings, particularly Figs. 2 and 4. The specification of the Wright patent explicitly confirms the fact that only radial bristles were intended.

"* * * At one end of the spring element 21 the finger 22 occurs. This finger is arranged or shaped to assume a *radial* position with relation to the circumference of the sleeve. * * *" (emphasis ours) (Exh. 38, page 2, column 2, lines 53-57).

"* * * By reference to Fig. 3, it will be seen that the spring and finger elements are arranged in spiralled or helical sets, the fingers 22 being disposed *radially* of the sleeve and spaced consecutively around the sleeve in equal spaced relation to each other. * * *" (emphasis ours) (Exh. 38, page 2, column 2, line 73 to page 3, column 1, line 3).

"* * *

"It is to be understood that since the spring fingers 22 are all of the same *radial* length their outer ends when unflexed terminate an equal distance from the sleeve. * * *" (emphasis ours) (Exh. 38, page 3, column 1, lines 17-19).

Had the inventor Wright intended to include bristles or wires projecting in any fashion other than radially, he must have disclosure to justify such interpretation. This is basic in determining the scope of patent claims.

Contrary to Defendants' contentions, the claims of the 317 apparatus patent are relatively narrow when construed

in the light of the prior art. Claims 1, 2, 5, 6 and 15 included (a) a casing, (b) a sleeve secured on the casing, (c) abrading fingers projecting radially from the sleeve to engage the well wall. Claims 1 and 2 include in addition (d) means for yieldably supporting the wires.

Since the Weatherford equipment or Hall scratchers are invariably rotatably mounted upon the casing and have side-wise bristles or abrading wires angularly disposed to the supporting collars, they are not an infringement of any of the claims of the Wright apparatus patent in suit.

The Defendants' scratcher (Physical Exh. 40) has spring fingers extending non-radially or with side-wise inclination flexibly attached to a support or collar free to slide longitudinally within limits and free to rotate upon the casing. This construction and method of mounting provides the reversible function characteristic of the Hall type scratcher and not capable of accomplishment by the radial bristle scratcher of the 317 patent (See Pfs. Brief, page 69).

THE PLACE OF THE WRIGHT 352 PLUG-BACK PATENT IN THE ART.

The prior art patents cited against this plug-back invention show that it was old to place a plug or bridge in a well bore and obtain a bond between the cement of the plug and the earth formation where the plug is placed. The Lake and Phelps patent (*Exh. 269A*) teaches the cleaning of the formation with acid for the placing of a cement plug, and there is mentioned hydrochloric acid, sulphuric acid and nitric acid, each of which are capable of breaking down the colloidal structure in the mud and causing the mud layer to become suspended in the well fluid. By a disintegration process the acid acts upon the colloids that are contained in the mud layer.

Halliburton (*Exh. 269B*) describes a plug back and bridging operation performed with a tubing or casing which corresponds to Wright's wash pipe. His primary purpose is to prevent freezing of the wash pipe in the

cement during the placement of the plug or bridge. Quoting from the patent, page 1, column 1, lines 41-49:

“In general the process and apparatus of the present invention comprehends that the damage of freezing the tube in the well may be avoided by the provision that the end of the tubing have a special plug back device or section of tubing detachable from the remainder of the tube so that it may be intentionally left in the bottom of the well hole after the plugging back or bridging operations.”

This patent also has a disclosure of raising the wash pipe after the mass of cement has been placed to wash out excess cement which is a specific limitation in claim 3 of the Wright patent. In other words, after the cement has been placed, the wash pipe is lifted above the plug and circulation of the well fluid is started in order to take off excess cement above the plug and circulate it to the surface where it is rejected from the system. The patent says on page 1, column 1, lines 19-26:

“The fluid cement is then pumped through the tubing or casing to a height somewhat above the point where the well is to be shut off or plugged and the casing has been elevated to the desired shut off point, whereupon the excess cement has been removed from the well hole by circulating mud down the casing or tubing to wash out such excess cement.”

The Pew and Baum patents (*Exhs. 269C and 269J*) show an appreciation as does Lake and Phelps (*Exh. 269A*) of the importance and necessity of obtaining a satisfactory union or bond between the cement plug and the earth formation to prevent infiltration of water or gas into the producing area; in other words, a water shut-off. Pew does it by filling the well with mud, then introducing water under pressure into the bottom of the well to fill the water sand with water while permitting the displaced mud to overflow at the surface. He then displaces the water in the water sand with cement forcing it out into the formation or

structure to obtain a good bond. Claim 1 of the patent describes the method contemplated by Pew:

“A method of closing off water sands from an oil and gas well, including filling the well with mud, introducing water into the lower end of said well to raise the head of said mud away from the water sand strata, closing up the upper end of the well, forcing the water under pressure into said water sand only and washing the same, leaving the oil sand undisturbed, pumping fluid cement under pressure into the washed water sand and forcing said cement deeply into the water sand radially away from the well bore and holding said cement in position until it hardens.”

Baum states in his specification on page 1, column 1, lines 20-23:

“When the well bore is drilled through the oil and gas producing formation into the water sand or formation there below it has been common practice to introduce cement into the bottom of the bore to provide a cement plug therein. Various methods have been employed for introducing the cement, but cement plugs have been found unsatisfactory because the water eventually seeps around them and after a time flows in sufficient volume to kill the well. In order to completely close the water formation with cement it is necessary that the cement be forced deeply into the formation so as to obviate the possibility of flow around the cementing.”

Baum does this by putting a valve in the lower end of his wash pipe capable of sustaining the weight of the column of cement, the valve being operated by differential pressure whereby a surface control of the operation of the valve is maintained and the cement effectively forced into the formation.

The Wright method and apparatus patents (*Exhs. 269K and 269L*) also cited against the Wright plug back patent and the Hall spiral centralizer patent (*Exh. 269I*) have all been relied upon to show that it was old to mount

an abrading or scraping means, whether brushes, wall cleaning guides or spiral centralizers to remove mud cake from the well bore. The Hall patent (*Exh. 269I*) also in evidence as *Exh. 151* was likewise cited to show that it was old in the art to mount abrading or scraping means on a casing or tubing preparatory to a cementing operation to obtain a more satisfactory bond between the cement plug and the earth formation.

It is submitted that the prior art patents alone establish that the patentable novelty present in the plug back procedure taught by the Wright patent (*Exh. 39*) is of exceedingly low order if it exists at all. The Trial Court was certainly justified in finding that the Wright 352 patent lacked invention (Finding XXXV).

THE PLUG BACK 352 PATENT IS BARRED BY PUBLIC USE.

Considering now the question of public use that plaintiffs have pleaded against the plug back patent, the patent is invalid because it is barred by the public use of the Union Oil Company wells Rosecranz 38 and 39. The details of these wells and exhaustive proofs concerning their operation were offered to establish the use of B & W wall cleaning guides in these wells in March of 1940. The Union Oil Company reports of the two wells were produced by defendants, and they were stipulated in evidence besides being explained during testimony given by Barkis. The report of Rosecranz No. 38 is dated March 1, 1940, and is in evidence as *Exh. 184*, also *Exh. KKKK*. The report of Rosecranz No. 39, dated March 15, 1940, is in evidence as *Exh. 185* and also as *Exh. LLLL*.

Upon investigation of these reports, it became evident that in both wells cement plugs had been placed according to the method of the Wright plug back patent (*Exh. 39*). The dates of running these plugs were more than a year prior to the filing date of the patent, so it was important to have testimony of someone who had personal knowledge of the operations. Fortunately, the defendants furnished the witness who was eminently qualified

to give this testimony and supply these facts. His deposition was transcribed into the Record as Exh. DZ3 (R. 1217-1249). Sketches of the two wells made on the stand by the witness Evans during the Public Use Proceeding are in evidence as Exhs. AO1 and AO2.

From 1933 to 1945, according to Evans' testimony, he was employed by the Union Oil Company, and in the early part of 1940 was located in the southern district working out of Dominguez, California, in what he termed as the "Dominguez Rosecranz" area. He was assistant petroleum engineer and acted as assistant to the district manager. His duties, according to his testimony, were supervising the coring, interpretation of electrical logs, determining coring points and total depths of wells, cross-sectional work, supervising the running of casing, and the cementing of oil strings or casing (R. 1218).

He identified the records of the two Union Oil Company wells Rosecranz 38 and 39 and the handwriting on the reports to be principally his. His signature was placed on the reports within a few minutes after the wells were cemented. A detailed report was made of the cementing operations, including a description of casing and its appliances before he left the rig, or right after the cement job (R. 1220). The equipment in Rosecranz well No. 38 was described as follows:

"It was a seven-inch casing which had a Baker down-whirler float shoe on the bottom. Above that was a Hall spiral centralizer, eight feet up from the bottom and B & W scrapers 26 feet from bottom and 32 feet from bottom respectively, and a Baker float collar 45 feet from the bottom."

This description was read from the report (Exh. 184). The B & W scrapers, as he termed them, were identified as wall cleaning guides shown in the Wright patent (Exh. 38) and plug back patent (Exh. 39). On direct examination, Evans testified:

"The casing was reciprocated during the time the cement was being pumped into the well."

Evans was then examined on Rosecranz well No. 39 which he identified as another well cemented under his supervision on March 15, 1940, at 2:45 p. m. (R. 1221-1222). Again he explained the make-up of the well.

“At the bottom shoe joint a spiral guide 8 feet up and the scratchers 26 and 32 feet up from the bottom.”

The same type of B & W wall cleaning guides were used on the well as in Rosecranz No. 38. The witness then explained that plugs were run in both these wells.

“Q. I believe with respect to the previous report you used the expression ‘running plug.’ What does that mean?”

“A. When the hole was drilled below the depth at which you wanted to cement your casing, it was customary to lower the casing perhaps 20 feet, sometimes 15 feet—in this case I see it was 20 feet—below the point at which you wanted to finally cement the casing until the casing or until the cement had started out through the bottom of the casing or through the shoe joint, and then it was at some time after that was started out that casing had to be down at the lowest point, in order that the cement was puddled until the final job, when you pulled the pipe up the 20 feet, and there it was parked.”

“* * *

“Q. That meant that you put a 20-foot plug in the bottom of the well?”

“A. That’s right, at the same time that we were cementing.

“Q. That might not be on bottom, but it was 20 feet below the desired depth of the casing?”

“A. That’s right, sometimes 10, sometimes 15, but that was the reason.

“Q. In this case was the casing reciprocated during cementing?”

“A. Yes.

“Q. About how rapidly was the casing moved in these cementing operations?”

"A. Not very rapidly. I would say we would normally move it, in a running bridge, where we were laying in a running bridge, we would move it, position the running bridge interval as noted, plug another 10 or 15 feet above possibly, move the shoe joint, and in terms of time just a slow movement up and down, without creating any seizure, but just enough to let the scraper or scratcher or cleaners actually do that job, actually clean or scratch" (R. 1227-1228).

On cross-examination, Evans was asked if he could draw a cross-sectional sketch from the reports of the two Rosecranz wells 38 and 39 showing how the scratchers were positioned and how the cement was put in. The sketches of the wells were made by the witness on separate sheets of paper and are in evidence as Exhs. AO1 and AO2. Evans' description of his sketch made from the reports of Rosecranz 39 is found in the Record, page 1231.

Evans then made a second diagram from the well reports of Rosecranz 38. His explanation of this sketch is found in the Record, pages 1232-1233.

Evans was questioned with regard to the method that was used in placing the plugs in the Rosecranz wells Nos. 38 and 39, and there was read to him the elements of one of the claims of the Wright plug back patent. His testimony in reply to this examination is found in the Record, pages 1243-1244.

"I think I forgot just one question I would like to ask you.

"A. All right.

"Q. I am going to read to you a method, and I am going to ask you if you will indicate whether or not this method was practiced in either or both of these wells, and I will read it step by step, and if you will just indicate whether the particular step was practiced during the laying in of this cement in either of these wells, Rosencranz 38 and 39?

'A method of placing a well plug or the like in a well bore.' Was that done?

"A. Oh, yes.

"Q. 'Including mechanically abrading the wall of the well bore at the zone in which the plug was to be formed by operating and abrading means in said zone of the well whereby extraneous material on the walls of the wellbore is dislodged therefrom.'

"A. Well, actually in the plug zone, you will see by the very mechanics of the thing that the scratchers were not below it. The Hall spiral guide was in contact with some portion of that plug, also the upper portion and what scraping or cleaning job or dislodging job which was done by it was done in the plug zone, like—

"Q. Did you circulate a liquid into and out of the well bore to remove said dislodged material?

"A. Oh, yes, we circulated the cement and the mud—and the mud.

"Q. And then did you deliver a quantity of cement slurry to the zone at which the plug is to be formed in the well?

"A. Yes.

"Q. Then did you mechanically agitate the mass of cement thus delivered by the movement of abrading means?

"A. That's right, insofar as we were able, yes.

"Q. And thereafter did you withdraw the abrading means from the mass of cement issued material and then allow the cement to set?

"A. Yes."

It will be seen from Evans' testimony that in the two Rosecranz wells Nos. 38 and 39, B & W wall cleaning guides and a centralizer were mounted on the outside of a wash pipe or casing which was run into the well and manipulated. Evans stated that according to the Jones and Berdine tests they had been instructed in placing these cement plugs and bridges in order to get a firm bond between the cement and the formation. While putting in the cement plug, they agitated the cement until just before it set and then raised the pipe to the top of the level of the cement plug and permitted the cement to set. After it is set casing was rested on the top of the plug.

It was thereby conclusively established that the cementing method that the witness Evans described is exactly that covered by the Wright plug back patent. This method was practiced by the Union Oil Company in March of 1940, more than a year prior to the filing date of the plug back patent on August 6, 1941, and is therefore a complete bar under the statute to the grant of a valid patent.

**NO ADEQUATE PROOF HAS BEEN MADE THAT
PLAINTIFFS INFRINGE THE PLUG
BACK 352 PATENT.**

Defendants' proofs of the alleged infringement of the plug back patent are set forth at pages 47-49 of Defendants' brief. They consist of excerpts from Plaintiffs' advertisements where instructions are given as to use of a plug back stinger. There is no evidence in this case that Plaintiffs ever operated a stinger or that one of their customers ever placed a cement plug or bridge following the instructions of Plaintiffs. The proofs therefore are totally inadequate under the law to establish infringement of the patent. *Magnavox Co. v. Hart and Reno et al.*, 73 F. 2d 433, at 434 (C.C.A. 9); *Endrezze v. Dorr Co., Inc.*, 97 F. 2d 46, at 48 (C.C.A. 9); *New Wrinkle v. Fritz*, 30 F. Supp. 89, at 91; *Marlatt v. Mergenthaler Linotype Co.*, 70 F. Supp. 426.

**DEFENDANTS BY THREAT AND NOTICES OF IN-
FRINGEMENT TO PLAINTIFFS AND PLAINTIFFS'
CUSTOMERS SOUGHT TO ESTABLISH A LIMITED
MONOPOLY IN THE MANUFACTURE AND SALE OF
SCRATCHERS NOT COVERED BY EITHER OF THE
WRIGHT PATENTS Nos. 2,338,372 OR 2,374,317 AND
2,392,352 AND HAVE MISUSED THESE PATENTS, AND
THIS COURT SHOULD DENY ALL RELIEF TO DE-
FENDANTS UNDER THEIR COUNTERCLAIM FOR
INFRINGEMENT.**

Defendants assert on page 51 of their brief as follows:

“The District Court did not find either in its Memorandum or Findings, that such notices were not sent

in good faith, or that such notices were sent without probable cause.”

This is contrary to the fact. The Court stated in its Memorandum (R. p. 336):

“Among the acts of unfair competition claimed by plaintiff and plaintiff-interveners is the allegation that defendants Wright and B & W, Inc., both before and during the pendency of this litigation, have unfairly and without cause notified customers of plaintiff and plaintiff-interveners that the customers infringed the monopoly of the Wright Method Patent No. 2,338,372 by the use of scratchers in the cementing operations incident to completion of oil wells.

“The evidence sustains the charge, since it is clear that the notices were given, directly and indirectly, without any intent that the notices serve as a preliminary to suit. Moreover, the notices were not given in good faith since Patent No. 2,338,372 does not teach or claim or even mention any method of carrying on the cementing operations incident to the completion of an oil well [Cf. *Morton Salt Co. v. Suppinger Co.*, 314 U.S. 488 (1942); *B. B. Chemical Co. v. Ellis*, 314 U.S. 495 (1942); *Schriber Co. v. Cleveland Trust Co.*, 311 U.S. 211 (1940); *Dehydrators, Ltd., v. Petrolite Corp.*, 117 F. 2d 183 (9th Cir. 1941); *Celite Corp. v. Dicalite Co.*, 96 F. 2d 242 (9th Cir.), cert. denied 305 U.S. 633 (1938); *Circle S Products Co. v. Powell Products*, 174 F. 2d 562 (7th Cir. 1949); *Metro-Goldwyn-Mayer Corp. v. Fear*, 104 F. 2d 892 (9th Cir. 1939); *Adriance Platt & Co. v. National Harrow Co.*, 121 Fed. 827 (2d Cir. 1903)] [664].”

The Court found (Findings XIV, XV, XVa, XVb, XVc, R. page 3756) that

(1) These notices were given without intent that the notices serve as a preliminary to suit (Finding XIV).

(2) These notices were not given in good faith (Finding XV).

(3) That the 372 patent did not teach, claim or even mention cementing (Finding XV).

(4) That the notices under 372 patent were given to establish a limited monopoly in the manufacture and sale of scratchers not covered by the 372 patent (Finding XVa).

(5) That the notices given under the 317 patent were unfair and without cause (Finding XVb).

(6) That the notices were without intent that they serve as a preliminary to suit (Finding XVb).

(7) That the notices were given in order to establish a limited monopoly in scratchers not covered by patent 2,374,317 (Finding XVc).

We have documented the various instances of such notices in our opening brief, pages 6 to 19, inclusive.

That the giving of such notices is unfair competition.

See *Celite Corporation v. Dicalite Co.*, (C.C.A. 9) 96 F. 2d 242, at pages 250 and 251.

Metro-Goldwyn-Mayer Corp. v. Fear, (9th Cir. 1939) 104 F. 2d 893, at page 899, in which this Court said in deciding that appellant was entitled to an injunction:

“The sending of the letters to appellant’s customers is admitted in the answer. It is clear that the sending of these letters by appellee was improper and that appellee was not entitled to take such action in order to protect its rights under its patent, No. 1,891,225. The patent was introduced in evidence and covers a machine designed to be used for the processing of exposed film. It does not cover nor claim the developed film as invention. The sale or use of the products of the machine (the film) by the customers of appellant would not constitute an infringement of the machine patent.”

See also:

Circle S Products Co. v. Powell Products, Inc., (7th Cir. 1949) 174 F. 2d 562, at page 565.

The judgment of the Court dismissing the Counterclaims of Defendants for infringement of the Letters Patents 2,338,372, 2,374,317 and 2,392,352 should be sustained irrespective of the finding of invalidity of the above patents.

(b) The Trial Court Found That Defendants Had Asserted Patents 372 and 317 in Order to Establish a Limited Monopoly in the Manufacture and Sale of Scratchers Not Covered by These Patents.

These are findings on which it is proper to conclude the Defendants have misused their patents in an effort to illegally restrain competition. The Court's dismissal of the counterclaim should thus be affirmed. For like reason the counterclaim for infringement of the 352 patent for this patent was misused along with the 372 and 317 patents.

(c) The 352 Plug Back Patent Is Also Invalid Because Barred by a Public Use (See discussion, *supra*).

A Court should dismiss an action for infringement of a patent when the patent has been used in an effort to establish a limited monopoly not secured by the patent (See cases cited *supra*).

This Court may sustain the dismissal of the counterclaim for infringement irrespective of whether or not the Court was justified in finding that all of the Wright patents are invalid for lack of invention.

The rule is stated in *Eaton v. Brock*, (1954) 124 Cal. App. 2d 10, at p. 16, 268 P. 2d 58.

See also:

Sears v. Rule, 27 Cal. 2d 131, 151 P. 2d 443, certiorari denied 328 U. S. 843, 66 S. Ct. 1022, 90 L. Ed. 1617.

5 C. J. S., Section 1849, p. 1335, and cases therein cited.

Stoody Co. v. Mills Alloys, (1933) (9 C.C.A.) 67 F. 2d 807, at p. 809, cert. denied 304 U. S. 573, 58 S. Ct. 1042, 82 L. Ed. 1537.

Kishan Singh v. Carr, (9th Cir. 1937) 88 F. 2d 672, at p. 678.

**THE HALL 515 PATENT WAS PROPERLY GRANTED
ON AN APPLICATION FILED AS A CONTINUING
APPLICATION OF SERIAL No. 388,891.**

Defendants base their assertion that the Court erred in failing to find the Hall 515 patent invalid (Dfs. Brief, p. 67 *et seq.*) upon the following false statements:

(a) The Hall patent is not valid because not filed within one year of the sale and publication of the scratcher (Dfs. Brief, p. 67).

(b) That Hall at no time prior to filing of Hall application 55,619 (Exh. 69) claimed invention in "sidewise" inclination of the scratcher wires (Dfs. Brief, p. 68).

(c) That neither the application 388,891 (Exh. 1) nor 627,013 (Exh. K) claimed invention in sidewise inclination (Dfs. Brief, p. 68).

(d) That the claims for the sidewise inclination are different from the finally rejected claim in 627,013 (Exh. K) and were not submitted to the Patent Office within one year of the date of the sale and publication by Hall (Dfs. Brief, p. 67).

The Defendants' argument is built on the proposition that Hall failed to assert a claim for the sidewise bristles in application Ser. 388,891, although this was disclosed in that application, and that the claims for the sidewise bristles were first asserted in an application more than one year after they were sold by Hall. These assertions err on both the facts and the law.

They err on the facts because contrary to the assertions of Defendants, Hall claimed the sidewise bristles in the original claims filed with the original specification of the application Ser. 388,891 (Exh. 1) filed on April 16, 1941 (See original claims 4 and 13). The reversible characteristic of the sidewise bristle is emphasized in original claims 7, 8, 11 and 15.

The above application was finally rejected on May 8, 1945. Application 627,013 (Exh. K) was filed Novem-

ber 6, 1945, less than six months after the final rejection. This application discloses the sidewise bristles and is stated to be a continuation in part of application Serial No. 388,891.

The claims as originally filed in Ser. 627,013 referred to the angularly disposed wires as simulating the trajectory of bodies thrown from a rapidly rotating sleeve (See claim 1, Exh. K, p. 11). The reversing function of the wires is described in Ser. 627,013 at the following places: page 3, lines 16 to 28; page 8, lines 17 to page 9, line 10. This application was finally rejected as to claims 6, 7 to 16, and claims 1 to 5 and 7 were allowed and an Appeal was heard. The Decision of the Board is dated May 17, 1948 (Exh. K, p. 76). This decision reversed the final rejection of claims 9 and 10. Thus, at the date of the action by the Board of Appeals the application stood with claims 1 to 5, 7, 9 and 10 allowed. These claims with their amendments are given on pages 11, 12 and 20 of Application Ser. 627,013 (Exh. K). An Appeal to the Court of Customs and Patent Appeals was filed.

The application was abandoned on June 30, 1949 (See Exh. K, p. 86), in favor of the filing of the application 55,619 (Exh. 69), which matured into the Hall 515 patent. The Appeal to the Court of Customs and Patent Appeals was dismissed on October 4, 1949 (Ex. K, p. 87).

The application Ser. 55,619 was filed October 20, 1948, as a continuation-in-part of applications Ser. 388,891 and Ser. 627,013 and within six months after the Decision by the Board of Appeals and before the dismissal of the Appeal to the Court of Customs and Patent Appeals. This application was finally rejected by the Primary Examiner, who contended, as does the Defendant here, that the fact that in application Ser. 627,013 the angularity of the wires with respect to the radius is described by the term "tangential", that application was not entitled to the filing date of Serial No. 388,891. The Board of Appeals rejected the Examiner's contention. It stated (see page 4 of the Decision by the Board dated January 10, 1950, in Exh. 69):

"The application on appeal is stated to be a continuation of application 627,013 which in turn was a continuation-in-part of application 388,891. The dis-

closure of application 627,013 is substantially the same as that of the application on appeal and, like the latter in its condition as it was when it was filed, attributes the action of rotation of the collar to the substantially tangential arrangement of the whiskers.

* * *

"We find no proper basis for the rejection of the claims as drawn to new matter.

* * *

"In mechanical cases, such as that here involved, broad claims may be supported by a single form of the apparatus disclosed in an applicant's application. *In re Vickers et al.*, 564 O. G. 174, 141 F. 2d 522. Since the application discloses a single form of the apparatus in which the whiskers are mounted substantially tangentially on the casing, and whiskers so mounted are non-radial, are at an angular inclination, are mounted on and are on the support, the application supports the broad claims reading on this form. We do not sustain the Primary Examiner in the rejection on this ground."

That the Board of Appeals was correct in its conclusion is amply supported by the applicable law.

Title 35, Section 120, states as follows:

"An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application."

The claims of the Hall 515 patent could have been made in the 627,013 application since the structures disclosed in

that patent are the same as the structures disclosed in 627,013, and the drawings illustrate identical structures.

(a) The Hall 515 Patent Was Filed Prior to Abandonment or Termination of Proceedings in the 627,013 Application.

At the time of filing of the application for the 515 patent, proceedings in application Ser. 627,013 were still pending. The appeal was still pending and the following proceedings were still available to applicant.

If the Appellate Court reversed the Examiner the case would be passed to issue.

If the appeal were dismissed voluntarily or involuntarily, the application would be passed to issue on the claims held allowable by the Board of Appeals.

Before allowance additional claims could have been proposed by applicant by proper request to the Commissioner of Patents (Patent Office Rule 198; 35 U.S.C.A., p. 633, 1951 edition, similar to Rule 140; 35 U.S.C.A., p. 740 of 1940 edition).

After allowance the applicant could have added claims as provided by Patent Office Rule 312 (35 U.S.C.A., p. 665, 1951 edition) similar to old Rule 78 (35 U.S.C.A., p. 726, 1940 edition).

The practice in the U. S. Patent Office in such case is given in the Manual of Patent Examining Procedure issued in the United States Patent Office, Department of Commerce, 1949 Ed., Revision of Nov. 1, 1950:

“5. *Dismissal of Appeal.* If the appeal is dismissed by the Court, the status of the application will be the same as in paragraph 2 if no claim stands allowed. If claims stand allowed action will be taken by the Examiner as in Paragraph 3.

“2. *All claims rejected.* If all claims in the case stand rejected, proceedings on the application are considered terminated on the date of receipt of the Court's certificate and the application is not open to subsequent amendment and prosecution by the applicant. The application is no longer considered pending.

"3. *Some claims allowed.* If some claims in the case stand allowed, either by reversal of the Office decision by the Court or by having been allowed by the Examiner or the Board of Appeals, proceedings are considered terminated as to the rejected claims. Action by the applicant cancelling the rejected claims is not considered necessary. The Examiner will pass the case for issue forthwith on the allowed claims, the applicant being advised of such action. The rejected claims may be cancelled by the Examiner with an appropriate notation on the margin, to avoid confusion of the printer. However, if formal matters remain to be attended to, the Examiner should take appropriate action on such matters, setting a shortened period for reply, but the application is considered closed to further prosecution except as to such matters. If all claims in the case stand allowed after the Court's decision formal matters if any should be taken care of and the case passed for issue."

Thus, the application that issued as the Hall 515 (page 182) patent was filed before the 627,013 application was abandoned and during the period where further proceeding in the prosecution of the 627,013 application was required. The appeal to the Court of Customs and Patent Appeals was pending at the time of filing of the application for the 515 patent. Whether or not applicant was successful in such appeal, further proceedings were necessary in the application 627,013. The 515 patent application (Exh. 69) was filed during this period so was entitled to the filing date of the 627,013 application.

(b) Similarly, the 627,013 Application Was Entitled to the Filing Date of the 388,891 Application.

When application Ser. 388,891 was finally rejected, it was a pending case and the prosecution was not terminated. Applicant had six months to appeal and the appeal constitutes a continuation of the prosecution (See Rules of Practice of the U. S. Patent Office, Rule 133, p. 739, 35 U.S.C.A., p. 739, 1940 edition, present rule 191, See 35 U.S.C.A. 1, 191, p. 629, edition of 1951, 35 U.S.C., Sec. 37, 1946 edition, 35 U.S.C. 133, Patent Act of 1952.

That these applications are all entitled to the filing date of the original application 388,891 is supported by *General Pictures Corp. v. Western Electric Co.*, 304 U.S. 175, at p. 182.

Veaux v. Southern Oregon Sales, Inc., 45 U.S.P.Q. 610; 33 F. Supp. 605, Affd. 123 F. 2d 455, cited by defendants (Dfs. Brief, p. 68) is not to the contrary.

(c) The Cases Cited by the Defendants in Support of Their Contention Do Not in Any Way Impeach the Regularity of the Proceedings in the Patent Office—a Regularity Which Is to Be Presumed from the Grant of the Patent. See 35 U.S.C., Sec. 282.

In *Muncie Gear Co. v. Outboard Motor Co.*, 315 U.S. 759, 53 U.S.P.Q. 1, 5, the patentee filed an application on August 25, 1926. Later after rejection of claims he filed an amendment on December 8, 1928. This, like the original application, did not suggest the patented invention. The invention was first disclosed on March 30, 1929, in an amendment supported by a supplementary oath, which invention was embodied in the claims subsequently issued in the patent. The evidence showed that a public use, which occurred more than two years prior to December 8, 1928, was that of a licensee under the patent and the only competitive use was less than two years prior to December 8, 1928, but more than two years before March 30, 1929, when the amendment disclosing the patented invention was introduced into the application. The Court said:

“It is clear to us, however, that the amendments of December 8, 1928, like the original application, wholly failed to disclose the invention now asserted.

“The claims in question are invalid if there was public use, or sale, of the device which they are claimed to cover, more than two years before the first disclosure thereof to the Patent Office.

* * *

“We think the conclusion is inescapable that there was public use, or sale, of devices embodying the asserted invention, more than two years before it was

first presented to the Patent Office.”

(53 U.S.P.Q. 5, col. 2, lines 4-13 and 25-29.)

The distinction from the case at bar is obvious for here the subject matter was continuously disclosed and claimed in generic and specific form since the filing of the first application, Ser. 388,891.

We have shown the regularity of the proceedings in the U. S. Patent Office in the procurement of the Hall patent 515 here in suit. The charge of fraud was fully aired in the Patent Office (Exh. 285, R. 3635-7). After a full hearing the Commissioner of Patents rendered a decision (R. 3578) which found that the defendants' charges of fraud were without substance. The evidence in this case is the same as was before the Commissioner of Patents. This fact reinforces the presumption of validity attaching to the issue of the patent. It is submitted that not only have the Defendants failed to discharge the heavy burden on them to prove invalidity and fraud but that instead the evidence establishes the regularity of, and absence of fraud in the obtainment of the Hall patent.

**DEFENDANTS' CLAIM OF EQUIVALENCY OF THE
WRIGHT WALL CLEANING GUIDE AND THE
HALL SCRATCHER IS REFUTED BY
THE EVIDENCE.**

Defendants throughout this litigation have continually made futile attempts to show that the Wright radial bristle scratcher (Exh. 104) of the apparatus patent 317, operates the same as and is the equivalent of the sidewise bristle scratcher of Hall (Exh. 40, physical) covered by the Hall 515 patent. Doble, their expert witness, set up an elaborate apparatus and made a series of *ex parte* tests designed to support defendants' theory and obtain results from which he could draw conclusions and give testimony, although the tests ignored actual well conditions and particularly the relative diameters of the well bore and scratchers used therein.

An attempt has also been made by defendants to prove that the structure covered by the Wright 317 patent simulates the angularly disposed abrading wires or bristles which is the invention of the Hall 515 patent. This is done in a number of different ways; by reference to a scratch pattern produced upon a falsely conceived test apparatus, defendants' brief, pages 32-33; by attempting to differentiate the prior art patents to Shaw and Black and Stroebel by appropriating and adopting the Hall method as the purpose for which the Wright scratcher was designed, when actually the Wright scratcher was developed for the Wright method of the 372 patent (Dfs. Brief 34-35). The testimony of Gulf Oil engineers establishes that the test apparatus, relied upon by defendants to show the operation of the Wright scratchers made according to the 317 patent, was not only improperly conceived technically and did not reproduce or simulate well conditions (R. pp. 1053-1055 and 1108-1110). The Trial Court's rulings with respect to validity and infringement of the 317 patent took cognizance of the conflict between the testimony of defendants' expert Doble and that of the Gulf Oil engineers. Defendants likewise seek to make the structure of the Wright scratcher equivalent to that of Hall in order to take advantage of the patentable features of Hall which distinguished the Hall scratcher from these same prior art patents. These differences were pointed out by Hall to the Patent Office during the prosecution of his patent (Dfs. Brief, p. 36).

Again in their brief, page 43, they revert to this matter stating:

"The single difference between the Weatherford Scratcher and the Scratcher of the Wright Patent Exhibit 38 lies in the substitution in the Weatherford Scratchers of the coil spring for the torque type spring used by Wright together with a modification as to the degree of sidewise inclination of the scratcher fingers."

The facts are that Wright never had anything but a radial bristle scratcher shown in his 317 until he began pirating Hall's invention. Defendant B & W who had the

device manufactured and sold it to the trade began offering the scratcher in 1940 (R. 1211). Sales are in the Record to Thos. Kelly & Sons (Ex. HHHH) and Union Oil Company (Ex. TTTT).

Prior to these sales, in the late fall of 1939, the Union Oil Company announced and set up a research project near their refinery on Dominguez Hill contemplating an investigation to determine the effectiveness of methods and apparatus pertaining to cementing techniques and factors influencing the bond between set cement and the earth formation of an oil well. The report made by Jones and Berdine, the Union Oil employees in charge of this work, is in evidence as Exhibit X. Many individuals and companies provided their tools for test and among them Defendant B & W (Exh. X, R. 3670). The simulated oil well in the Jones and Berdine tests was a canvas bag and it was impossible to use the Wright radial bristle scratchers in this bag because the wires tore the canvas and the well fluids, both the mud and cement could not be contained therein. To rectify this difficulty and render the scratchers usable in the tests, the sharp ends of the abrading wires of the guides were either doubled back as shown in Figs. 14 and 18 (R. pp. 3715 and 3719) or bent midway of the bristles and small smooth balls or knobs puddled at the ends of the bristles, as shown in Fig. 26, R. 3727. This is the only occasion when the Wright radial bristle scratchers were ever altered insofar as there are credible proofs in this case and at these tests the changes were made to make possible the use of the device. Nor does it appear that Wright or B & W ever considered that the alterations made for the Jones and Berdine tests had any purpose or advantage over the radial bristles in commercial use because thereafter B & W continued to offer the device as originally conceived and made according to the 317 patent and continue to sell a few up to the present time.

The trade generally rejected the B & W radial bristle scratcher because it would not reverse in the narrow annulus between the well bore and casing where it was obliged to do its work. It was found that upon reciprocation of the casing to scrape the mud from the earth formation, the wires of a radial bristle scratcher were either

rolled up, torn from the collar and rendered ineffective, or they penetrated into the formation and stuck the pipe. Gulf Oil Company, the largest customer of Hall's scratchers and defendants' best potential customer refused to purchase and use the radial bristle B & W scratcher, so some competitive device had to be made to get a part of this business (R. 1048-1050).

In July, 1947, they duplicated the Hall scratcher and sent samples to Gulf Oil indicating they were going into production and would have the scratchers soon on the market (R. 2252-2254, physical, Exh. 88, photo 88a, at R. 3521. See also transmittal letter Exh. 64). Gulf Oil refused to purchase the scratchers and B & W counsel advised B & W against selling them (Exh. 64B) evidently because of Hall's exclusive rights under the Hall-Wright agreement (Exh. 34). Up to the end of 1947, B & W offered only the radial bristle scratcher made according to the Wright apparatus patent 317.

On June 17, 1949, Wright and Barkis had a meeting with members of the Gulf Oil Research and Development Company and Mr. Vollmer's testimony concerning the meeting reveals not only the nature of the device then being offered by B & W but also defendants' views as to some of the defenses subsequently asserted by defendants after they began to realize Hall would obtain a patent on his non-radial type scratcher.

(Deposition of Leslie W. Vollmer, R. 1035:)

"Q. Did Mr. Wright or Mr. Barkis at that meeting indicate that the use of wires extending non-radially from the collar originated by Mr. Wright, was Mr. Wright's invention?

* * *

"A. I don't recall any specific discussion at that time on that particular point.

"Q. Do you recall that either Mr. Wright or Mr. Barkis stated that the use of nonradial wires was Mr. Wright's invention and not Mr. Hall's?

* * *

"Q. Do you recall at that meeting in June of 1947, that either Mr. Wright or Mr. Barkis stated that they had used nonradial type scratchers—that is, scratchers with nonradial wires—in California, in a well, as early as 1940?

* * *

"A. No, I don't.

"Q. Did either Mr. Wright or Mr. Barkis during this meeting in June of 1947, mention the use of nonradial wire scratchers in a well of Thomas Kelley & Sons, which was McMillan Community No. 1 in the Athens-Rosecranz field? Do you recall their stating that they had used scratchers with nonradial wires back in 1939 on such a well in California?

* * *

"A. No, I do not.

"Q. Now, did either Mr. Wright or Mr. Barkis, during this meeting in June of 1947, tell you that Mr. Wright had furnished scratchers to be tested by the Union Oil Company on Dominguez Hill in tests that were known as the Jones and Berdine, and that in these tests there were used scratchers with nonradial wires?

* * *

"A. I recall a discussion of the Jones and Berdine tests, but I do not recall any discussion on the use of scratchers with nonradial wires."

It was not until the end of 1947 that Defendants decided upon the strategy of trying to appropriate Hall's sidewise bristle invention for it was on October 3, 1947, Wright filed his first application for a scratcher with nonradial bristles (Exh. 70). This application was later involved in Interference 84,411 with the Hall application which issued as Hall patent 515 (Exh. 286, R. p. 3634). The Interference it will be recalled was decided adversely to Wright. It was also at the end of 1947 that Defendants brought out their first nonradial or sidewise bristle scratcher called Multiflex (Physical, Exh. 57, photos R. pp. 3588, 3589).

Confirming Plaintiffs' assertions that the Wright radial bristle scratcher made according to the 317 patent was relatively unsalable to the industry and that the sidewise bristle devices, Multiflex and NuCoil rapidly displaced it in the B & W sales (see chart of B & W total scratcher sales January, 1946, through December, 1953, Exh. 280A, R. p. 3611).

That defendants and their attorneys as late as January, 1950, realized the difference between the radial and non-radial structures, that there was no such equivalency as is now contended and that Hall was entitled to generic patent coverage on the non-radial scratcher, see the "Caughey Letter" dated January 27, 1950 (Exh. 119, R. p. 3523).

As an interesting sidelight bearing upon this situation is defendants' categorical statement (Dfs. Brief p. 19) that,

"* * * both Hall and Attorney Scofield knew in June, 1945, that the B & W Wall Cleaning Guide was and always had been a reversible scratcher that it is rotated upon the casing during the scratching operation."

This assertion is predicated upon a letter John Hall wrote to his father Jesse E. Hall, Sr., dated June 2, 1945 (Exhs. 194, 195 and 196).

The letter describes the distinction between the action of a scratcher with sidewise bristles and a wall cleaning guide with radial bristles.

It likewise explains that the Hall sidewise bristle scratcher reverses easily without sticking in the formation and crawls around the surface of the well bore as the scratchers propel themselves around the casing if the scratcher wires are reversed a sufficient number of times. The letter compares this action with the radial bristles which stick in the formation and require great force to move the casing and when moved by reciprocation the wires are bent, disfigured and rendered ineffective as a cleaning device. The writer of the letter states that he has seen such scratchers when they were withdrawn from

the well. He summarizes the requirement for a reversible scratcher on page 3 of the letter.

The only conditions or circumstances under which he states it is possible to reverse a radial bristle scratcher are those not acceptable to the operators in the field and those adopted by the expert Doble in his *ex parte* tests employing wall cleaning guides with an outside diameter of the radial wires substantially the same size as the well bore or only enough larger to trace an indistinct pattern upon the lamp blacked inside surface of metal cylinder which would not do a cleaning job in a well bore.

Confirming what has been said with respect to the relative merits of radial and non-radial bristle scratchers is the testimony of Leslie W. Vollmer, an unbiased expert, employed by Gulf Research and Development Company who explained why Gulf Oil Company rejected the radial type scratcher in favor of the non-radial type.

(Deposition of Leslie W. Vollmer, R. 1048.)

“Q. Do you know why it was that the wall cleaning guide was not acceptable to the Gulf Oil Company or to the Gulf Research & Development?

* * *

“A. After examining the devices available for scratching oil wells, it was the opinion of our engineers collectively that the scratcher offered by the Weatherford Company would accomplish the objectives that we desired better than would the wall cleaning guide offered by B & W, because the wires extended to a greater diameter than the wires of the standard or regular B & W wall cleaning guide, and because we were of the opinion that the wires of the Weatherford scratcher would suffer least damage in usage so their effectiveness would persist for a longer period of time and thereby more nearly assure a satisfactory result.

“Q. Did this acceptance have anything to do with the manner in which the wires extended from the collar, that is, whether they extended radially or nonradially?

* * *

"A. Yes, it did.

"Q. Can you explain why?

* * *

"A. The principal objection to the B & W wall cleaning guide was the restricted path of wire movement, which appeared to be predominantly in a direction parallel to the axis of the pipe on which the device was mounted. Any flexing of the wires in, shall we say, a circumferential direction—yes, in a circumferential direction—resulted in a permanent deformation of the bristle so that it did not extend to the diameter of the original scratcher—that is, of the scratcher before deformation. In the case of the B & W scratcher, the wires appeared to—or had a more universal action and could be flexed in almost any direction without equally serious deformation, or deformation as serious as the B & W guide.

(The last answer was read.)

"The Witness: May I change that? I made a misstatement.

"Q. (By Mr. Scofield) Indicate where the change should be, please.

"A. I am trying to figure—(To the reporter) Will you change 'In the case of the B & W scratcher' to 'In the case of the Weatherford scratcher.' In the case of the Weatherford scratcher, the wire had a more universal action and could be moved in almost any direction without serious deformation resulting."

* * *

CONCLUSION.

It is submitted from the foregoing that:

1. The Wright 372, 317 and 352 patents and as to each and all claims thereof are invalid as lacking invention over the prior art, and that the 352 patent is barred by public use.

2. That the Wright 372, 317 and 352 patents are not infringed.
3. That the Wright 372, 317 and 352 patents have been misused.
4. That the Hall 515 patent is valid and infringed.
5. That the appeal of defendants should be dismissed and the judgment of Trial Court dismissing the counterclaim for infringement and unfair competition be sustained.
6. That the judgment of the Trial Court dismissing the plaintiffs' complaint be reversed.
7. That the injunctions issued *pendente lite* be vacated.

Respectfully submitted,

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Intervenors-Appellants.*

Date: March 1, 1956.

